

August, 2025

**Notice of Launch of Phase 1 of Minimum
Spreads Reduction in the Hong Kong
Securities Market by HKEX**

Dear Valued Customer,

HKEX announced on 21 July 2025 that phase 1 of the minimum spreads reduction in the Hong Kong securities market will be launched on 4 August 2025 (Monday) (the "**Effective Date**") which covers key adjustments as follows¹ :

1. For equities, Real Estate Investment Trusts, equity warrants and all other securities (excluding Exchange Traded Products, debt securities, Exchange Traded Options, Inline Warrants and Structured Products²), the minimum spreads of the stocks with price higher than \$10 but lower than or equal to \$20 will be reduced from \$0.020 to \$0.010, and stocks with price higher than \$20 but lower than or equal to \$50 will be reduced from \$0.050 to \$0.020.
2. The allowable price limit for all securities (except Exchange Traded Products²) will be updated from "±24 spreads from the reference price" to "either ±24 spreads or 5% from the reference price, whichever is greater in percentage terms". This update will apply across all the price bands during the Continuous Trading Session. It should also be noted that the scope and requirement of the "9-time rule" (i.e. order price should

1 Applicable to all currency units (including but not limited to HKD and RMB).

2 Structured Products include Callable Bull/Bear Contracts and Derivative Warrants.



not deviate 9 times or more from the nominal price) will remain unchanged.

Before the Effective Date, if you have submitted a Good Till Date order with good till date on or after the Effective Date, and the order price does not fulfill the stock minimum spread after the abovementioned adjustments, please pay attention that this Good Till Date order will be rejected by HKEX or the Bank securities system after the minimum spreads reduction. Please submit the instruction to the Bank again if needed.

For details, please visit the HKEX's website on "Reduction of Minimum Spreads"
(https://www.hkex.com.hk/Services/Trading/Securities/Overview/Trading-Mechanism/Reduction-of-Minimum-Spreads?sc_lang=en).

Should you have any enquiry, please contact our staff or Customer Service Hotline at (852) 2616 6628. Should there be any inconsistency between the English and Chinese versions, the Chinese version shall prevail.

Thank you for your attention.

Nanyang Commercial Bank, Limited